of gross Non-Performing Assets (NPAs) to gross advances for the banking system reduced from 14.4 per cent in 1998 to 3.48 per cent in March, 2006. The reform measures have also resulted in an improvement in the profitability of banks. The Return on Assets (RoA) of the banks rose from 0.4 per cent in the year 1991-92 to 0.88 percent in March 2006. Considering that globally, the RoA has been in the range of 0.9 to 1.5 per cent for 2004, Indian banks are well placed. The banking sector reforms also emphasized the need to renew the manpower resources and rationalize the requirements by drawing a realistic plan so as to reduce the operating cost and improve profitability.

Simplification of tax laws

1542. SHRIMATI SYEDA ANWARA TAIMUR: SHRI VIJAY J. DARDA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to simplify tax laws and streamline procedure to bring more people into the tax net and cut the fiscal deficit;

(b) if so, the details thereof; and

(c) by when, the proposal is likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Yes, Sir. The Government's policy is to broaden the tax base while moving towards moderate tax rates and reducing dispersal in rates. The emphasis is to undertake reforms to move towards rationalization and simplification of the tax structure, procedures and rules/regulations. So far as direct taxes are concerned, an Expert Group has been constituted to prepare as draft for a simplified income-tax code, The Group is expected to submit its report shortly.

Application of Loans under Swaran Jayanti Gram Swarojgar Yojana

† 1543. MS. SUSHILA TIRIYA: SHRI MOTILAL VORA:

Will the Minister of FINANCE be pleased to state:

(a) the number of poor persons who have applied in various banks till

†Original notice of the question was received in Hindi.

30th June, 2006 under the Swaran Jayanti Gram Swarojgar Yojana launched by Government;

(b) the number of persons who have been provided with loans by the banks; and

(c) the steps Government have taken to ensure that the poor person get loan at the earliest togetherwith the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The number of persons who have applied in various banks under Swaran Jayanti Gram Swarojgar Yojana (SJGSY) and the loans sanctioned to them are as under:—

Year	Applications received		Loans sanctioned		Loans disbursed	
	Individual	SHGs	Individual	SHGs	Individual	SHGs
2003-04	@	@	426750	172366	327479	60843
2004-05	260262	102486	201436	92486	202278	92608
2005-06*	233543	111213	178179	97018	164976	94450

@ Data for the applications received is collated since 2004-05 only.

** Data for 2005-06 is for March 2006 and is provisional. The data for june quarter 2006 has not been collected as yet.*

(c) Various masures have been taken to simplify and avoid delay in sanctioning of loans under the SGSY Scheme.

(i) Reserve Bank of India has advised all the scheduled commercial banks that loans sanctioned under SGSY should be treated as advances under priority sector.

(ii) Progress under the scheme forms part of the agenda for discussion at various fora i.e. Block Level Bankers Committee (BLBC), District Level Consultative Committee (DLCC), State Level Bankers Committee (SLBC) and High Level monitoring Committee formed under the scheme.

(iii) As a part of monitoring mechanism, RBI also undertakes field visit to various district under SGSY to ascertain the ground

level difficulties of banks in implementing the scheme so as to remove the procedural bottlenecks in operationalisation of the scheme.

(iv) RBI has conducted studies on impact of the scheme at the ground level with a view to assess whether they have resulted in social capital formation in terms of improved standard of living etc. Studies on 'Recovery Term under SGSY' and on "Gap between sanction and disbursement of loans under SGSYs" etc. have also been conducted and banks have been advised accordingly.

(v) Steps have been initiated to ensure that documentation process is kept simple to avoid hardship to the beneficiaries and consequent delays in disposal of application under the SGSY scheme.

Credit flow to SME sector

1544. MS. PRAMILA BOHIDAR:
SHRI SURENDRA LATH:

Will the Minister of FINANCE be pleased to state:

(a) how much loan has been sanctioned different commercial banks to the Small and Medium Enterprises sector in last three years;

(b) what are the percentage of total credit flow to the Small and Medium Enterprises sector; and

(c) what steps Government are initiating to increase the credit flow to SME sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The credit flow from the public sector banks to Small Scale Industry (SSI) sector for the year ending March, 2004 and March 2005 and to Small and Medium Enterprises (SMEs) sector for the year ending March, 2006 *vis-a-vis* their percentage to net bank credit during the above period is indicated below: